

B & J Machine Co.

1505 Oak Ridge Road
Williamstown, Ky 41097

Phone (859) 824-3189
Fax (859) 824-7284
Email jimschoenman@hotmail.com

November 1, 2000

Rock Island Arsenal
TACOM-AMSTA
Rock Island, Ill 61299
Attn: Kathy Conklin

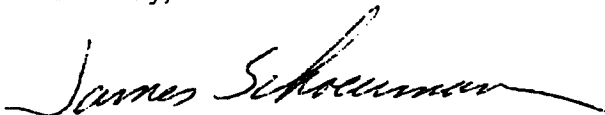
Ref: DAAE20-00-C-0036

Dear Ms. Conklin,

In response to your proposed change in contract from neutral color nylon to black nylon, your proposal as-is is not acceptable due to the additional cost involved in changing the color. B & J Machine will incur an additional cost of \$ 350.00 to buy black nylon to meet your change of the contract. However, in lieu of this additional expense, B & J Machine is willing to accept a 90 day extension of delivery for the items in this contract.

Please let me know at your earliest as to your response to this counteroffer as I would like to resolve this and the first article testing requirements so that we can begin delivery of parts to Rock Island.

Sincerely,



James Schoenman
Vice President